

An aerial photograph of a forest road. The road is a dark, straight line running vertically through the center of the image. On the left side of the road, the trees are a vibrant green. On the right side, the trees are a bright yellow, indicating autumn. A small white car is visible on the road, about one-third of the way down from the top. The text "POTLATCH 2005 ANNUAL REPORT" is centered horizontally across the middle of the image, in white, bold, sans-serif capital letters.

POTLATCH 2005 ANNUAL REPORT

ON THE COVER:

Fall colors at Potlatch's poplar plantation in Boardman, Oregon. The 17,000-acre operation is now producing sustainable harvests on an 11-year rotation.

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FINANCIAL HIGHLIGHTS

(Dollars in thousands – except per-share amounts)

	2005	2004	2003
Net sales	\$1,496,144	\$1,351,472	\$1,192,437
Earnings (loss) from continuing operations	32,964	15,330	(3,842)
Net earnings	32,964	271,249	50,727
Net cash provided by (used for) continuing operations	66,716	(22,897)	65,120
Per common share:			
Basic net earnings	\$ 1.13	\$ 9.23	\$ 1.77
Diluted net earnings	1.13	9.19	1.77
Cash dividends paid*	.60	3.10	.60
Stockholders' equity	24.01	23.22	16.33
Working capital	\$ 255,598	\$ 255,065	\$ 303,776
Depreciation, amortization and cost of fee timber harvested	89,386	88,319	88,987
Capital expenditures	105,574	48,900	76,090
Total assets	1,628,797	1,594,672	1,597,377
Long-term debt (noncurrent portion)	333,097	335,415	618,278
Stockholders' equity	705,148	671,389	470,851
Average common shares outstanding (in thousands)	29,120	29,397	28,706

*Cash dividends for 2004 included a special dividend of \$2.50 per common share.

Potlatch Corporation is a real estate investment trust, or REIT, that owns and manages 1.5 million acres of timberlands located in Arkansas, Idaho, Minnesota and Oregon. Through a taxable REIT subsidiary we also operate 14 manufacturing facilities that are engaged in the production of commodity wood products and bleached pulp products. The company traces its history to the founding in 1903 of Potlatch Lumber Co. Potlatch's business philosophy is committed to increased earnings and a superior rate of return for our stockholders, achieved by well-trained and highly motivated people who are properly supported by a sound financial structure and a keen sense of responsibility for the environment and to all of the publics with whom the company has contact.

A

s most of you know, the leadership of your company underwent an orderly and planned change on February 6, 2006. This report to Potlatch stockholders represents the combined thoughts of Mike Covey, Potlatch's new

President and Chief Executive Officer, and Penn Siegel, who retired as CEO but will continue as Chairman of the Board through the end of 2006.

Potlatch's conversion on January 1, 2006, to a real estate investment trust (REIT) signals a new chapter in the company's ongoing commitment to increasing stockholder value. By placing our company's primary asset, our forestlands, in a tax-efficient REIT structure, we have unlocked the value of that asset for our stockholders through higher quarterly distributions and, at the same time, have improved Potlatch's ability to compete in the challenging market for timberland acquisitions. Over time, this improved competitive position enhances our ability to grow distributions for stockholders through timberland acquisitions.

Stockholders have already benefited from our new REIT status with our first regular quarterly distribution of \$0.65 per share, which represented a significant increase from the \$0.15 per share quarterly dividends of 2005. Our regular annual distribution will increase to approximately \$76 million in 2006, compared to \$17.5 million in 2005.

As part of our conversion to a REIT, Potlatch also distributed all past earnings and profits (E&P) not distributed prior to January 1, 2006. That aggregated E&P distribution of approxi-

mately \$445 million, or \$15.15 per share, was paid on March 31, 2006, to stockholders of record on February 14, 2006. Because the cash portion of the aggregated distribution was limited to 20 percent of the total, with the remaining 80 percent distributed as stock, the additional shares have had the effect of reducing the per share annual distribution from \$2.60 on the 29.4 million shares outstanding on

"Potlatch's conversion on January 1, 2006, to a real estate investment trust (REIT) signaled a new chapter in the company's ongoing commitment to increasing stockholder value. By placing our company's primary asset, our forestlands, in a tax-efficient REIT structure, we have unlocked the value of that asset for our stockholders through higher distributions and, at the same time, improved Potlatch's ability to compete in the increasingly challenging market for timberland."

Michael J. Covey, Director, President and Chief Executive Officer (left) and L. Pendleton Siegel, Chairman of the Board (right)

December 31st, to \$1.96 per share on the 38.5 million shares outstanding currently.

As a REIT, our most important goal will be to increase our quarterly and annual distributions to stockholders. We expect to accomplish this by growing our REIT-qualified income through efficient and market-sensitive sales of standing timber and leases on our 1.5 million acres of forestland as well as strategically planned land sales and timberland acquisitions.

In addition, we expect to grow distributions by improving earnings from our non-REIT manufacturing assets in the Wood Products, Pulp and Paperboard and Consumer Products business segments, each of which is well managed and competitively positioned in its respective product lines.

Our REIT-qualified income and subsequent distributions to stockholders will also benefit

increase the long-term sustainable production from those lands. On the balance of our 1.5 million acres, we have been able to increase per-acre sustainable wood fiber production through continual improvements in silvicultural applications and management practices. Increased harvests from our timberlands are being conducted in a manner that assures long-term sustainability.



from sale of wood fiber from our 17,000-acre Boardman, Oregon, hybrid poplar plantation, which began full operations in late 2005. The plantation's sustainable annual harvest level of approximately 340,000 tons, based on 11-year rotations, will be reached over the next three to five years. We also expect to increase harvests over the next three years on our 666,000 acres of Idaho timberlands to balance the age-class distribution of standing timber and thereby

Our non-REIT business segments, including activities related to the harvest and sale of logs, are now part of Potlatch Forest Products Corporation, the taxable subsidiary of the REIT. We believe each of these business segments is capable of generating sufficient cash flow to pay taxes and interest on debt, meet its own capital requirements and contribute income to the REIT for distribution to stockholders. While each of these businesses faced

challenges during 2005, they confronted those challenges through innovative product development and improved productivity and product quality. Under the REIT structure, we expect that each of these business segments will employ the same spirit of initiative and innovation necessary to generate cash flow to meet its requirements going forward.

Potlatch's business segments were adversely

use per ton of production has been cut in half over the last three years.

Our 2005 capital expenditures of \$106 million, including our \$25 million investment in a lumber mill in Michigan, focused on high-return investments aimed at improving product quality and productivity and at reducing costs. Capital projects directed toward product quality improvements have been critical in building marketplace credibility necessary to capture an increasing share of higher-value markets for lumber and panels, paperboard for packaging and containers and consumer tissue products. Some examples of these projects are noted in the business segment reports that follow. Additionally, many of our 2005 capital projects as well as those planned for 2006 are directed toward reducing energy costs, which continue to be a challenge for all of our business segments. However, your management team will continue to exercise discipline in capital allocation by reviewing approved capital expenditures before their execution.

Safety performance at all of the company's operations continues to improve. The combined company OSHA incident rate was at a new low last year. Although each business segment contributed to the overall reduction, some facilities turned in outstanding performances during 2005. For example, the Warren lumber mill finished the year without a single accident under OSHA recordable standards.

Operating income and net sales for our Resource segment increased in 2005, compared to 2004, as the result of increased fee timber harvests in Idaho and Arkansas, increased sales



Resource

Operations: Arkansas, Idaho, Minnesota and Oregon

Products: 1.5 million acres of timberland producing a variety of softwood and hardwood species, including 17,000 acres of land growing hybrid poplar.

Sales & Distribution: Arkansas, Idaho and Minnesota.

	2005	2004	2003
Sales (\$ in 000's)			
Internal sales	\$174,907	\$164,396	\$157,233
External sales	130,085	109,896	95,381
Total	\$304,992	\$274,292	\$252,614

impacted by increased energy and raw material costs during 2005. Costs for all segments increased sharply in the third and fourth quarters as the result of the Gulf Coast hurricanes and their effect on petroleum and natural gas prices. However, our continuing efforts to reduce manufacturing energy costs through conservation and energy-generation initiatives helped mitigate those increases, particularly in our pulp and paperboard business segment, where natural gas

of non-strategic forestland and revenue from the sale of conservation easements. These improvements were partially offset by higher logging and purchased log costs, as well as higher depletion expense.

During the year the segment achieved certification of its management practices on our 469,000 acres in Arkansas and 314,000 acres in Minnesota under the social, environmental and economic criteria of the Forest Stewardship Council® (FSC). Management practices on all 1.5 million acres of Potlatch's forestland are now FSC certified, which puts the company in the unique position of being the only major public U.S. forest products company to have substantially all of its forestland certified under both FSC and the Sustainable Forestry Initiative® (SFI) environmental standards. Additionally, the Resource segment's environmental management system (EMS) is certified under International Organization for Standardization (ISO) 14001 standards. The EMS is a primary management tool on all lands managed by the Resource segment.

The Boardman operation began ramping up its harvests to its long-term sustainable level in late 2005. Within three to five years, the volume harvested annually from our 17,000-acre Boardman property is projected to be roughly equal to the net annual growth on our 314,000 acres in Minnesota.

During 2005, the Resource segment generated \$7 million of revenue from sale of conservation easements in Idaho and Minnesota, up from \$4 million the previous year. The company regards conservation easements, under

which development rights are sold, as unique opportunities to assure perpetual sustainable forest management, public access and protection of habitat features. Development pressure has escalated land values, making it increasingly difficult to attain fair market value for conservation easements. Additional easement projects are being considered on a limited basis, with the assistance of several



Wood Products

Operations: Arkansas, Idaho, Michigan and Minnesota

Products: Lumber, plywood and particleboard.

Sales & Distribution: Throughout the United States.

	2005	2004	2003
Sales* (\$ in 000's)	\$475,359	\$439,004	\$357,172
Shipments:			
Lumber (m. bd. ft.)	916,787	792,605	798,698
Plywood (m. sq. ft., 3/8" basis)	146,721	158,656	150,691
Particleboard (m. sq. ft., 3/4" basis)	65,694	63,578	70,303
Sales Price/Unit (\$ per unit):			
Lumber (m. bd. ft.)	\$420	\$436	\$350
Plywood (m. sq. ft., 3/8" basis)	358	376	308
Particleboard (m. sq. ft., 3/4" basis)	269	295	217

*Excludes internal sales.

conservation groups including the Trust for Public Lands and The Nature Conservancy.

Recreation leases, particularly for hunting, continue to generate additional revenues in Arkansas and Minnesota. Although hunting leases have been common in Arkansas for many years, the program in Minnesota, only in its third year, has demonstrated increased interest and income in each year since the program began.

The Wood Products segment's operating income for 2005 was significantly less than the previous year despite higher net sales and shipments for lumber, which largely resulted from the additional production at our newly acquired lumber mill in Gwinn, Michigan. The reduction in operating income reflected the combined effects of higher raw material costs and lower selling prices for most of the segment's

Capital projects at several Wood Products segment facilities are enhancing product quality and improving grade recovery. Replacement of 70-year-old dry kilns at our lumber mill in Lewiston, Idaho, has improved lumber grade yield by seven percent, reduced trim waste by two percent and cut steam usage by 10 percent. Less drying variability is also generating a 15-20 percent improvement in planer throughput.

"Our REIT-qualified income and subsequent distributions to stockholders will also benefit from sale of wood fiber from our 17,000-acre Boardman, Oregon, hybrid poplar plantation, which began full operations in late 2005. The plantation's sustainable annual harvest level of approximately 340,000 tons, based on 11-year rotations, will be reached over the next three to five years."



products. Additionally, income was impacted by downtime at several operations to install new equipment and balance inventories.

The Gwinn acquisition, completed in May of 2005, complements the company's pine lumber operation in Bemidji, Minnesota. During the last half of 2005, the two mills were successful in combining their efforts to provide a wider range of products and production flexibility for the segment's customers.

New dry kilns are also being installed at the St. Maries, Idaho, and Gwinn lumber mills, where they are expected to similarly affect lumber quality and grade recovery.

Automated grading at the Bemidji lumber mill, which produces standard and finger-joint studs, employs a single camera scan of each stud to facilitate highest-value solutions in grading and trimming. Similar systems have started up at the Prescott, Arkansas, lumber mill and

will start up at the Lewiston, St. Maries and Warren lumber mills in 2006.

In Arkansas, a new “curve” sawing gang is improving grade recovery at the Warren mill, just as a similar installation had previously improved grade recovery at the Prescott mill. Precision log-scanning enables the programming of log-sawing solutions that follow the wood grain, which reduces waste and downgrade

of-custody certifications at Warren, Prescott and Bemidji were announced in 2005 in conjunction with the announcement of FSC certification of Potlatch forestland in Arkansas and Minnesota. The Wood Products and Resource segments are collaborating on a marketing initiative to raise consumer awareness and generate additional value from Potlatch’s commitment to third-party certification, especially as represented by our



Pulp and Paperboard

Operations: Lewiston, Idaho; Cypress Bend, Arkansas

Products: Bleached paperboard for packaging liquids and other products and for paper cups and plates; bleached softwood pulp.

Sales & Distribution: Worldwide.

	2005	2004	2003
Sales* (\$ in 000's)	\$522,370	\$482,601	\$439,073
Shipments (tons):			
Paperboard	715,421	710,546	652,763
Pulp**	48,987	42,205	47,186
Sales Price/Unit (\$ per unit):			
Paperboard	\$700	\$652	\$645
Pulp	425	450	387

*Excludes internal sales.

**Excludes pulp used internally.

in later drying and finishing operations.

As noted earlier, all 1.5 million acres of the company’s forestland is now certified under the FSC standards. To complement that effort, the Wood Products segment’s lumber and plywood operations have leveraged those certifications by achieving and maintaining chain-of-custody certifications under FSC standards, which authorize application of the FSC label on the segment’s lumber and plywood products. Chain-

FSC-certified wood products. That initiative is being supported by many responsible environmental and conservation groups.

Higher natural gas and energy-related chemical and transportation costs, combined with higher fiber costs in Arkansas, contributed to a small operating loss for the Pulp and Paperboard segment in 2005, despite an improvement in net paperboard sales due to higher selling prices and increased shipments. Pulp net sales

(including intersegment sales) were down slightly as the result of lower selling prices, which offset a mild improvement in shipments to our external customers.

The segment continued to succeed in its efforts to improve paperboard quality at the Lewiston, Idaho, pulp and paperboard mill. Capital and operational improvements on both Idaho paperboard machines over the past three

contribute to improved operating results in 2006. Productivity has also improved at Lewiston, with the facility setting a record for pulp and paperboard production in 2005. At Cypress Bend, contract negotiations with the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union culminated with a new four-year contract.

We are mitigating the high price of natural gas, which has tripled in recent years, exacerbated in the last half of 2005 by the Gulf Coast hurricanes, by concentrated efforts to reduce natural gas usage through conservation and increased energy production. The combination has resulted in the segment's reduction of over fifty percent in natural gas consumption per ton of production over the past three years. Most of the improvement has been the result of relentless pursuit and elimination of inefficiencies in the use of thermal energy throughout the Idaho and Arkansas facilities. Capital expenditures in most cases were minimal in relation to the returns they generated, particularly as gas prices escalated.

Operating income for our Consumer Products segment was \$11.3 million for 2005, compared to a loss of \$10.2 million recorded for 2004. The dramatic turnaround resulted from a 15 percent improvement in net sales, driven by shipment improvements of four percent and an 11 percent increase in selling prices for all of our tissue products. The higher prices were largely the result of growing marketplace acceptance of our new ultra through-air-dried (TAD) towel product from our new Las Vegas tissue machine, which continues to operate well. Our customers are



Consumer Products

Operations: Lewiston, Idaho; Las Vegas, Nevada; Benton Harbor, Michigan and Elwood, Illinois

Products: Bathroom tissue, facial tissue, towels and napkins packaged for various store labels.

Sales & Distribution: Throughout the United States and Canada.

	2005	2004	2003
Sales* (\$ in 000's)	\$368,330	\$319,971	\$300,811
Shipments (tons):			
Tissue	177,882	171,680	167,981
Sales Price/Unit (\$ per unit):			
Tissue	\$2,071	\$1,864	\$1,791

*Excludes internal sales.

years have resulted in top quality characteristics for all three product lines – folding carton, cupstock and liquid packaging – which are critical to the segment's market strategies. In 2005, both the Lewiston and Cypress Bend operations provided superior quality and service, opening up many opportunities to shift customer mix in favor of higher-value products and command competitive pricing on existing business. Price improvements are expected to

particularly enthusiastic about the new towel product's strength and absorbency and have readily added it to their private label product lines. The improvements were offset by increased freight costs and higher labor costs – largely due to expansion of the converting operation at Elwood, Illinois – as well as increased packaging and energy costs.

In April 2005, a third converting line was added at our Elwood facility to accommodate production of our Las Vegas TAD machine. In January 2006, we announced closure of our leased converting facility at Benton Harbor, Michigan, and the relocation of the equipment to Elwood, which will have four converting lines and will add a fifth line later in 2006. The consolidation and expansion of our Midwest converting operations at Elwood will help reduce the segment's transportation costs as Elwood's multi-mode transportation hub will allow lower-cost rail shipment of parent rolls produced at Lewiston and Las Vegas. Elwood's expansion will also match converting capacity with our customers' needs for various products, especially our new TAD towels. We will be able to eliminate expensive contract converting and provide more cost-efficient delivery to our growing customer base in the Midwest and East.

The segment began marketing rapid-dissolving SepticSure™ tissue products in 2005. Targeted to septic tank users and recreation vehicle and boat users, SepticSure is being sold under Potlatch's own label.

With a new tax-efficient REIT structure, well-managed and productive timberlands, a sound financial structure and resourceful and

competitive manufacturing businesses, Potlatch and its stockholders can look forward to a promising future as the company enters its 103rd year. As always, however, Potlatch's strength lies in the experience, commitment and dedication of its employees at all levels and in all areas of the company. It is through the efforts of our employees that we assure ethical and innovative leadership, superior product quality and customer service and a continuing respect for our environmental and social responsibilities.



Michael J. Covey

Director, President and Chief Executive Officer

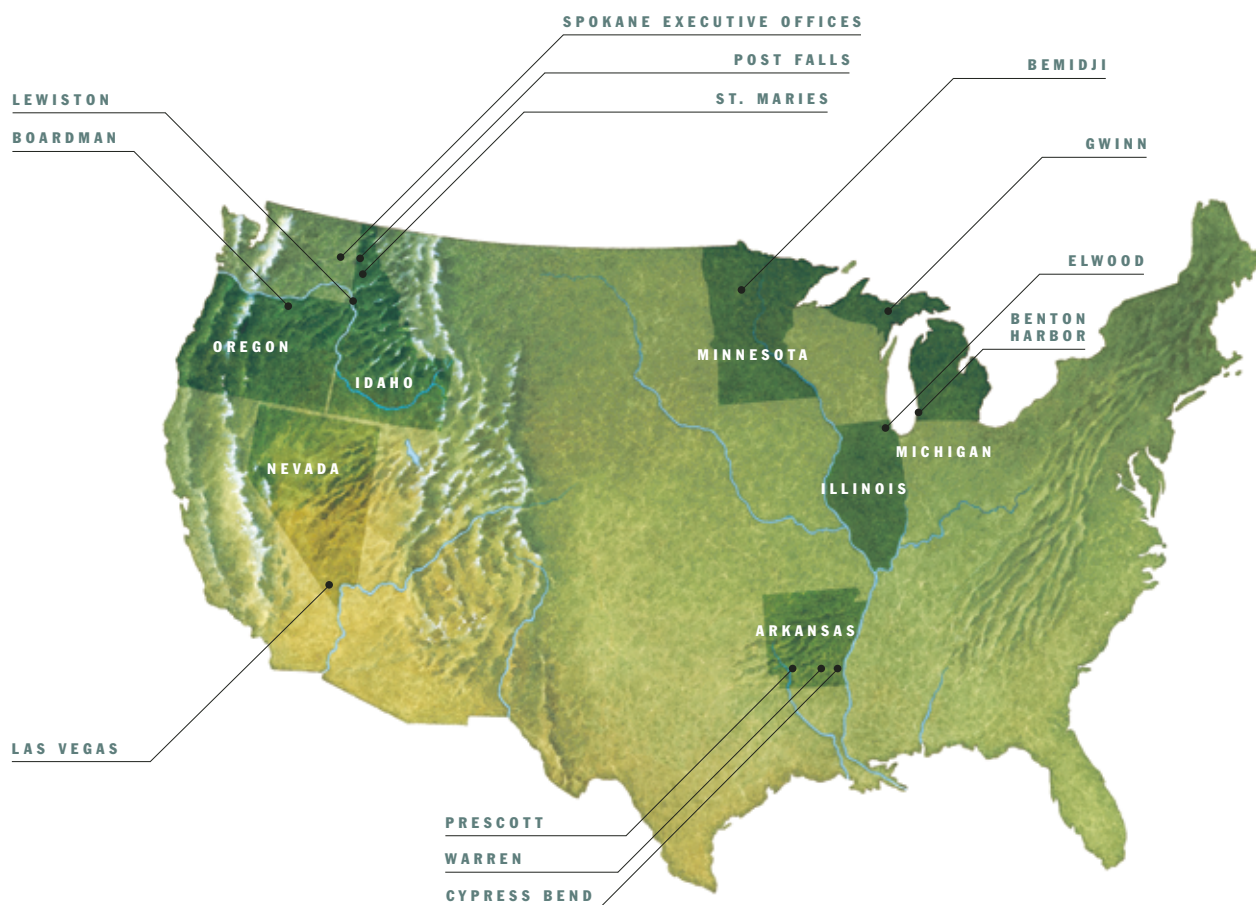


L. Pendleton Siegel

Chairman of the Board

April 1, 2006

PRINCIPAL FACILITIES



REGIONAL LAND BASES

Arkansas: 469,000 acres
Idaho: 666,000 acres
Minnesota: 314,000 acres
Oregon: 17,000 acres (a)

SAWMILLS (CAPACITY)

Prescott, Arkansas
230,000 m. bd. ft.
Warren, Arkansas
230,000 m. bd. ft.
Lewiston, Idaho
180,000 m. bd. ft.
St. Maries, Idaho
115,000 m. bd. ft.
Bemidji, Minnesota
100,000 m. bd. ft.
Gwinn, Michigan (b)
165,000 m. bd. ft.

PLYWOOD MILL (CAPACITY) (c)

St. Maries, Idaho
155,000 m. sq. ft.

PARTICLEBOARD MILL (CAPACITY) (d)

Post Falls, Idaho
70,000 m. sq. ft.

BLEACHED KRAFT PULP MILLS (CAPACITY)

Cypress Bend, Arkansas
280,000 tons
Lewiston, Idaho
545,000 tons

BLEACHED PAPERBOARD MILLS (CAPACITY)

Cypress Bend, Arkansas
300,000 tons
Lewiston, Idaho
425,000 tons

TISSUE MILLS (CAPACITY)

Lewiston, Idaho
180,000 tons
Las Vegas, Nevada
31,000 tons

TISSUE CONVERTING FACILITIES (CAPACITY)

Lewiston, Idaho
105,000 tons
Benton Harbor, Michigan (e)
10,000 tons
Las Vegas, Nevada
50,000 tons
Elwood, Illinois
25,000 tons

- (a) Potlatch owns a 17,000-acre hybrid poplar plantation in Boardman, Oregon.
(b) The Gwinn facility was purchased in May 2005.
(c) $\frac{3}{8}$ " basis
(d) $\frac{3}{4}$ " basis
(e) Leased facility

DIRECTORS

MICHAEL J. COVEY
Director, President and
Chief Executive Officer

BOH A. DICKEY⁽¹⁾⁽³⁾
Retired President and
Chief Operating Officer
SAFECO Corporation
Seattle, Washington

WILLIAM L. DRISCOLL⁽³⁾⁽⁴⁾
Marketing and Business
Consultant
ID Micro
Tacoma, Washington

RUTH ANN M. GILLIS⁽¹⁾⁽³⁾
Senior Vice President
Exelon Corporation;
President
Exelon Business Services
Company
Chicago, Illinois

JEROME C. KNOLL⁽¹⁾⁽²⁾
Vice President
Genie Industries, Inc.
Redmond, Washington

LAWRENCE S. PEIROS⁽²⁾⁽⁴⁾
Group Vice President
The Clorox Company
Oakland, California

GREGORY L. QUESNEL⁽¹⁾⁽²⁾⁽⁴⁾
Retired President and
Chief Executive Officer
CNF, Inc.
Palo Alto, California

MICHAEL T. RIORDAN⁽²⁾⁽⁴⁾
Former Chairman, Chief
Executive
Officer and President
Paragon Trade Brands, Inc.
Norcross, Georgia;
Former Chairman, Chief
Executive Officer and President
Fort Howard Corporation
Green Bay, Wisconsin

JUDITH M. RUNSTAD⁽²⁾⁽⁴⁾
Of counsel,
Foster Pepper PLLC
Seattle, Washington

L. PENDLETON SIEGEL⁽³⁾
Chairman of the Board
Former Chief Executive Officer
Potlatch Corporation
Spokane, Washington

**DR. WILLIAM T.
WEYERHAEUSER⁽²⁾⁽³⁾**
Chairman
Columbia Banking System, Inc.;
Chairman
Eden Bioscience Corporation
Tacoma, Washington

COMMITTEES OF THE BOARD

1. Audit Committee
2. Executive Compensation
and Personnel Policies
Committee
3. Finance Committee
4. Nominating and Corporate
Governance Committee

OFFICERS*

MICHAEL J. COVEY**
President and
Chief Executive Officer
Age 48/With company
1 month

DAVID L. ALLRED
Vice President
Tax
Age 60/With company
28 years

TERRY L. CARTER
Controller
Age 57/With company
31 years

RALPH M. DAVISSON***
Vice President and
General Counsel
Age 65/With company
26 years

ROBERT P. DEVLEMING
Vice President
Consumer Products Division
Age 53/With company
28 years

CHRISTOPHER A. ECKEL
Vice President
Human Resources
Age 64/With company
27 years

RICHARD K. KELLY
Vice President
Wood Products Division
Age 58/With company
30 years

MICHAEL L. LAPPA
Vice President
Sales and Marketing
Pulp and Paperboard
Age 56/With company
5 years

ROBERT C. MAI
Vice President
Sales
Wood Products
Age 45/With company
17 years

PAMELA A. MULL****
Vice President and
General Counsel
Age 51/With company
16 years

DAVID J. OHMS
Vice President
Information Systems
Age 54/With company
27 years

JOHN R. OLSON
Vice President
Resource Management Division
Age 57/With company
27 years

MALCOLM A. RYERSE
Corporate Secretary
Age 40/With company
15 years

HARRY D. SEAMANS
Vice President
Pulp and Paperboard
Division
Age 52/With company
28 years

DOUGLAS D. SPEDDEN
Treasurer
Age 46/With company
22 years

STEVEN P. STANDRIDGE
Vice President
Sales
Consumer Products
Age 53/With company
13 years

MICHAEL S. URSO
Vice President
Marketing
Wood Products and Resource
Management
Age 48/With company
4 years

GERALD L. ZUEHLKE
Vice President and
Chief Financial Officer
Age 57/With company
34 years

* Ages and years of service
with the company calculated as
of March 1, 2006.

** Michael J. Covey was elected
President and Chief Executive
Officer effective
February 6, 2006.

*** Ralph M. Davisson retired from
the Company effective
February 28, 2006.

**** Pamela A. Mull was elected
Vice President and General
Counsel effective
March 1, 2006.

POTLATCH CORPORATION FORM 10-K

CORPORATE INFORMATION

EXECUTIVE OFFICES

601 W. Riverside Avenue
Suite 1100
Spokane, Washington 99201
509.835.1500

TRANSFER AGENT

AND REGISTRAR

Computershare Investor
Services, LLC

STOCK LISTING

Potlatch common stock is
traded under the symbol PCH
on the New York, Chicago and
Pacific stock exchanges.

DISTRIBUTION

REINVESTMENT

For the convenience of our
registered stockholders,
distributions may be rein-
vested in Potlatch common
stock. For information, contact
Computershare
Investor Services, LLC, at
866-593-2351.

ANNUAL MEETING

The annual meeting of
stockholders will be held
on May 8, 2006, at
10:00 a.m. at the Hotel Lusso,
North One Post Street,
Spokane, Washington.

ADDITIONAL INFORMATION

Copies of the company's
filings with the Securities
and Exchange Commission,
the company's Corporate
Governance Guidelines,
Corporate Conduct and Ethics
Code, and Charters of the
Committees of the Board of
Directors are available free
of charge at the company's
World wide web address,
www.potlatchcorp.com, or
upon written request to
Malcolm A. Ryerse, Corporate
Secretary, at the company's
executive offices.

FORWARD-LOOKING STATEMENTS

This document contains
forward-looking statements,
including without limitation,
statements regarding our
long-term strategy to add
shareholder value, the devel-
opment and marketing of new
products, reducing costs, the
startup of new machinery and
the strength of the markets for
our products. These forward-
looking statements reflect
management's current views

regarding future events based
on estimates and assump-
tions, and are therefore sub-
ject to known and unknown
risks and uncertainties. For
a detailed listing of potential
factors affecting our busi-
ness and these forward-look-
ing statements, please refer
to "Cautionary Statement
Regarding Forward-Looking
Information" and "Factors
Influencing Our Results of

Operations" in our Annual
Report on Form 10-K for the
year ended December 31,
2005. Except as required
under applicable law, we do
not intend to issue updates
concerning any future
revisions of management's
views to reflect events or
circumstances occurring after
the date of this report.



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